

## **Financing the Healthcare System in Nigeria**

Can Nigeria realistically come good on its commitment to achieve the Sustainable Development Goal 3 to “Ensure healthy lives and promote well being for all at all ages” in less than a decade’s time? This study sets out to explore whether the Nigerian healthcare system receives financing such as could lay the basis for the country to meet that target. By way of introduction it outlines the components of SDG 3 and presents the main diseases affecting the Nigerian populace today.

In light of this, in Chapter 1, a discussion follows of the various international benchmarks for public, i.e. government, healthcare financing with regard to getting primary healthcare to the people. This elaboration starts specifically from the famous Abuja Pledge in 2001 to spend 15% of each annual budget on healthcare and contrasts this with other ratios such as expenditure to GDP or staffing ratios deemed crucial to being able to provide primary healthcare.

In a next step, in Chapter 2 these benchmarks are used to evaluate public healthcare expenditure in Nigeria since the years 2000 and in particular in the period 2015-2019. The key findings are that public budgets have been far too small, indeed government healthcare expenditure has actually dropped in the 2015-2019 period. Moreover, healthcare in Nigeria today is mainly something accessible only to those who can privately afford it as an out-of-pocket expense. For a large section of the population it is catastrophic health spending, meaning it constitutes more than 10% of their possible spending and that they therefore have to choose between healthcare or other necessities in life.

Chapter 3 outlines how heavily dependent the Nigerian healthcare system is on donors. It likewise pinpoints the key inefficiencies in the system that contribute to government health expenditure, meagre as it is, being misspent. Conversely, if spending was controlled properly, the scant resources would not be wasted.

Chapter 4 compares Nigeria with four peers: Ethiopia, Indonesia, Kenya and South Africa in terms of the international benchmarks. Despite Nigeria being ahead of Ethiopia and Indonesia in terms of percentage of GDP committed to total health expenditure, it is found to be far worse off as regards infant, under-5 and maternal mortality. The same applies to its death rates for malaria and tuberculosis. The implication is that this bears out the inefficiencies identified in the prior chapter.

Chapter 5 concludes that government expenditure on healthcare must be massively increased if it is to live up to its wish to provide primary healthcare to all the country’s citizens as per SDG 3.

Capital and operating expenditures need to be radically increased (infrastructure, drugs and medicines, human resources). Indeed, the original commitment to 15% of budget as stated in the Abuja Pledge would be a minimum starting point in light of the number of years of

'negative' investment in healthcare when compared to population growth.

A general lack of political will to achieve SDG 3 is assumed to be the reason for this identified. The conclusion can only be that without clear political prioritization of healthcare, the status quo ante cannot be changed. To say that there is already a state of emergency in the Nigerian healthcare sector as regards financing is to understate the magnitude of the problem.

Chapter 6 cursorily outlines possible policy recommendations. Precisely because primary healthcare delivery is something that has to be incrementally implemented and financed until a certain standard is achieved (e.g., to cover minimum staffing requirements and minimum medicine provision for specified illnesses/diseases) prioritization should be attached to achieving such targets as fast as possible rather than stoically upholding formula. At the same time policymakers must also ensure that there is a consistent focus on allocative efficiencies and avoid any misalignment of state and federal healthcare policies. In this regard, given the structure of healthcare financing (and the argument could be extended to the education sector, too) and its fundamental necessity for any prosperity in society, legislation and/or an audit agency is required to adjudicate such issues of alignment and expenditure shortfalls in order to monitor and sanction under-performance in the sector. [click here to download](#)

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